

Rule 15c2-12 Filing Cover Sheet

This cover sheet should be sent with all submissions made to the Municipal Securities Rulemaking Board (the Nationally Recognized Municipal Securities Information Repository), and any applicable State Information Depository pursuant to Securities and Exchange Commission (SEC) Rule 15c2-12 or any analogous state statute.

Name: Hackensack Meridian Health, Inc.

Issue(s): \$300,000,000 Hackensack Meridian Health Taxable Bonds, Series 2018 (Corporate CUSIP# 404530AB3)*
\$6,235,440.24 NJHCFFA Refunding Bonds, JFK Assisted Living Facility Issue, Series 2018A
\$588,790,000 New Jersey Health Care Facilities Financing Authority ("NJHCFFA") Revenue and Refunding Bonds, Hackensack Meridian Health Obligated Group Issue, Series 2017A
\$300,000,000 Hackensack Meridian Health Taxable Bonds, Series 2017 (Corporate CUSIP# 404530AA5)*
\$129,602,500 NJHCFFA Refunding Bonds, Meridian Health System Obligated Group Issue, Series 2016A
\$130,000,000 NJHCFFA Revenue Bonds, Meridian Health System Obligated Group Issue, Series 2015A
\$84,000,000 NJHCFFA Revenue Bonds, Hackensack University Medical Center Obligated Group Issue, Series 2015A
\$29,525,000 NJHCFFA Refunding Bonds, Meridian Health System Obligated Group Issue, Series 2013A
\$200,595,000 NJHCFFA Refunding Bonds, Meridian Health System Obligated Group Issue, Series 2011
\$18,390,000 NJHCFFA Revenue Bonds, Southern Ocean County Hospital Issue, Series 2006
\$5,100,000 NJHCFFA Variable Rate Composite Revenue Bonds, Meridian Nursing and Rehabilitation Issue, Series 2006 A-3
\$17,550,000 NJHCFFA Variable Rate Composite Revenue Bonds, Meridian Health Assistance Corporation Issue, Series 2006 A-4
\$10,915,000 NJHCFFA Variable Rate Composite Revenue Bonds, Meridian Health Assistance Corporation Issue, Series 2006 A-5
\$14,725,000 NJHCFFA Variable Rate Composite Revenue Bonds, Meridian Nursing and Rehabilitation Issue, Series 2004 A-3
\$60,000,000 NJHCFFA Revenue Bonds, Meridian Health System Obligated Group Issue, Series 2003A
\$17,255,000 New Jersey Economic Development Authority ("NJEDA") Variable Rate Demand Senior Care Revenue Bonds, Bayshore Health Care Center Issue, Series 1998A
\$52,191,860.40 NJEDA Revenue Bonds, Hillcrest Health Service System Project, Series 1997

Filing Format X electronic ____ paper; if available on the Internet, give URL:

* Taxable Bonds with corporate CUSIP # – Not to be used for posting on EMMA.

CUSIP Numbers to which the information filed relates (optional):

 X Nine-digit number(s) (attach additional sheet if necessary):

| Series 2017A | Series 2013A | Series 2011 | Series 2006 | Series 2004 A-3 | Series 2003A | Series 1998A | Series 1997 |
|--------------|--------------|--------------|--------------|-----------------|--------------|--------------|--------------|
| <u>CUSIP</u> | <u>CUSIP</u> | <u>CUSIP</u> | <u>CUSIP</u> | <u>CUSIP</u> | <u>CUSIP</u> | <u>CUSIP</u> | <u>CUSIP</u> |
| 645790JD9 | 64579F2X0 | 64579FV26 | 64579FHG1 | 64579FDA8 | 64579E7X8 | 6459053R9 | 645905L57 |
| 645790JC1 | 64579F2Y8 | 64579FV34 | 64579FJQ7 | | | | 645905L65 |
| 645790JE7 | 64579F2Z5 | 64579FV42 | 64579FJR5 | | | | 645905L73 |
| 645790JF4 | 64579F3A9 | 64579FV59 | 64579FJS3 | | | | 645905L81 |
| 645790JG2 | 64579F3B7 | 64579FV67 | | | | | |
| 645790JH0 | 64579F3C5 | 64579FV75 | | | | | |
| 645790JJ6 | 64579F3D3 | 64579FV83 | | | | | |
| 645790JK3 | 64579F3E1 | 64579FV91 | | | | | |
| 645790JL1 | 64579F3F8 | 64579FW25 | | | | | |
| 645790JM9 | 64579F3G6 | 64579FW90 | | | | | |
| 645790JN7 | 64579F3H4 | 64579FX24 | | | | | |
| 645790JP2 | | 64579FX32 | | | | | |
| 645790JQ0 | | 64579FX40 | | | | | |
| 645790JR8 | | 64579FX57 | | | | | |
| 645790JS6 | | | | | | | |
| 645790JT4 | | | | | | | |
| 645790JV9 | | | | | | | |
| 645790JU1 | | | | | | | |
| 645790JW7 | | | | | | | |
| 645790JX5 | | | | | | | |
| 645790JY3 | | | | | | | |
| 645790JZ0 | | | | | | | |
| 645790KA3 | | | | | | | |
| 645790KB1 | | | | | | | |
| 645790KC9 | | | | | | | |
| 645790KD7 | | | | | | | |
| 645790KE5 | | | | | | | |
| 645790KF2 | | | | | | | |
| 645790KG0 | | | | | | | |
| 645790KH8 | | | | | | | |
| 645790KJ4 | | | | | | | |
| 645790KK1 | | | | | | | |
| 645790KL9 | | | | | | | |
| 645790KM7 | | | | | | | |

 Six-digit number if information filed relates to all securities of the Issuer

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Description of Material Event Notices / Other Material Information

- ☐ Principal and interest payment delinquencies
- ☐ Non-payment related defaults, if material
- ☐ Unscheduled draws on debt service reserves reflecting financial difficulties
- ☐ Unscheduled draws on credit enhancements reflecting financial difficulties
- ☐ Substitution of credit or liquidity providers, or their failure to perform
- ☐ Adverse tax opinions, IRS notices or material events affecting the tax-exempt status of the security
- ☐ Modifications to rights of security holders, if material
- ☐ Bond calls, if material
- ☐ Defeasances
- ☐ Release, substitution, or sale of property securing repayment of the securities, if material
- ☐ Rating changes
- ☐ Tender Offers
- ☐ Bankruptcy, insolvency, receivership or similar event of the obligated person
- ☐ Merger, Consolidation, or acquisition of the obligated person, if material
- ☐ Appointment of a successor or additional trustee, or the change of name of a trustee, if material
- ☐ Notice of non-compliance: failure to provide annual financial information
- ☐ Other material event or information (specify)

Additional / Voluntary Event-Based Disclosures

- ☐ Amendment to continuing disclosure undertaking
- ☐ Change in obligated person
- ☐ Notice to investors pursuant to bond documents
- ☐ Certain communications from the Internal Revenue Service
- ☐ Secondary market purchases
- ☐ Bid for auction rate or other securities
- ☐ Capital or other financing plan
- ☐ Litigation/enforcement action
- ☐ Change of tender agent, remarketing agent, or other on-going party
- ☐ Derivative or other similar transaction
- ☐ Other event-based disclosures

Financial & Operating Data Disclosure Information

(Financial information should not be filed with the MSRB)

- ☐ Annual Financial Report or CAFR
- ☒ Financial Information & Operating Data
- ☐ Other (describe):

Fiscal Period Covered: YTD March 31, 2019 and 2018

☐ Monthly ☒ Quarterly ☐ Annual ☐ Other

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I hereby represent that I am authorized by the issuer or its agent to distribute this information publicly:

Name: Robert Glenning
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Employer: Hackensack Meridian Health, Inc.
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Email: robert.glenning@hackensackmeridian.org

UTILIZATION

The statistical information provided below was prepared by the records maintained by Hackensack Meridian Health (the “Network”). The following table sets forth selected inpatient and outpatient utilization data for the three months ended March 31, 2019 and 2018.

| | March 31, | |
|--|-----------|---------|
| | 2019 | 2018 |
| Licensed Beds | 4,058 | 4,054 |
| Maintained Beds | 3,234 | 3,275 |
| Adult and Pediatric | | |
| Inpatient Admissions ⁽¹⁾ | 36,888 | 38,320 |
| Inpatient Days ⁽¹⁾ | 215,225 | 214,875 |
| Occupancy (%) ⁽²⁾ | 74% | 73% |
| Newborn and Neonatal ICU Admissions ⁽³⁾ | 3,343 | 3,577 |
| Outpatient Visits ⁽⁴⁾ | 522,135 | 517,799 |
| Emergency Room Visits ⁽⁵⁾ | 120,530 | 127,572 |
| Radiation Oncology Registrations | 20,141 | 20,690 |
| Same-Day Surgery Cases | 13,431 | 12,723 |
| Observation Cases | 12,173 | 11,335 |

Source: Network Records

- (1) Excludes Newborn, Neonatal ICU, Same Day Surgery, Same Day Medical, and Rehabilitation.
- (2) Based on maintained beds excluding Newborn, Neonatal ICU, and Rehabilitation.
- (3) Includes routine births and births admitted to Neonatal ICU.
- (4) Outpatient Visits is inclusive of the balances listed in the table for Emergency Room, Radiation Oncology, Same Day Surgery, and Observation Cases, in addition to all other outpatient areas not listed in the table.
- (5) Excludes admissions deriving from the Emergency Room.

FINANCIAL PERFORMANCE

The following tables set forth the statements of operations for the Network for the three months ended March 31, 2019 and March 31, 2018 and the balance sheets as of March 31, 2019 and December 31, 2018 (see notes regarding entities included in each year). As of March 31, 2019, Management calculates that members of the Combined Group accounted for approximately 85% of total operating revenue and 83% of net assets without donor restrictions of the Network.

This summary should be read in conjunction with the audited consolidated financial statements for Hackensack Meridian Health, Inc. and related notes to the consolidated financial statements.

SUMMARY BALANCE SHEET INFORMATION
(In 000's)

| | March 31, 2019 | December 31, 2018 |
|---|---------------------|----------------------|
| Assets | | |
| Current Assets | | |
| Cash and cash equivalents | \$ 258,202 | \$ 442,834 |
| Patient accounts receivable, net | 567,876 | 537,541 |
| Pledges receivable, net | 44,802 | 47,628 |
| Other current assets | 289,786 | 237,719 |
| Assets limited as to use and short-term investments, current portion | 719,310 | 695,589 |
| Total current assets | 1,879,976 | 1,961,311 |
| Assets limited as to use and investments, noncurrent portion | 2,430,895 | 2,246,462 |
| Investment in joint ventures | 147,706 | 144,382 |
| Property and equipment, net | 2,730,396 | 2,603,084 |
| Other assets | 151,606 | 140,051 |
| Total assets | \$ 7,340,579 | \$ 7,095,290 |
| Liabilities and Net Assets | | |
| Current liabilities | | |
| Current maturities of long-term debt and capital lease obligations | \$ 64,933 | \$ 63,982 |
| Accounts payable and accrued expenses | 747,845 | 824,723 |
| Other current liabilities | 140,719 | 123,223 |
| Total current liabilities | 953,497 | 1,011,928 |
| Long-term debt and capital lease obligations, less current maturities | 2,062,236 | 2,060,199 |
| Accrued pension benefits | 375,588 | 374,263 |
| Other liabilities | 495,626 | 485,340 |
| Total liabilities | 3,886,947 | 3,931,730 |
| Net Assets | | |
| Without donor restrictions controlled by the Network | 3,197,397 | 2,938,768 |
| Without donor restrictions attributable to noncontrolling interests | 58,311 | 27,672 |
| Net assets without donor restrictions | 3,255,708 | 2,966,440 |
| Net assets with donor restrictions | 197,924 | 197,120 |
| Total net assets | 3,453,632 | 3,163,560 |
| Total liabilities and net assets | \$ 7,340,579 | \$ 7,095,290 |

Source: The Network's records.

SUMMARY STATEMENTS OF OPERATIONS
(In 000's)

| | Three Months Ended March 31, | |
|--|-------------------------------------|-------------------|
| | 2019 | 2018 |
| Unrestricted revenues and other support | | |
| Net patient service revenue | \$ 1,358,882 | \$ 1,259,789 |
| Other revenue and gains | 67,108 | 64,881 |
| Total unrestricted revenues and other support | 1,425,990 | 1,324,670 |
| Expenses | | |
| Salaries and benefits | 748,801 | 706,552 |
| Supplies and miscellaneous expenses | 509,605 | 493,195 |
| Depreciation and amortization | 52,888 | 44,846 |
| Interest | 20,815 | 16,884 |
| Total expenses | 1,332,109 | 1,261,477 |
| Excess of revenues over expenses before other operating adjustments | 93,881 | 63,193 |
| Other operating adjustments | | |
| Investment income (loss), net | 169,348 | (5,359) |
| Contribution income - acquisitions | - | 140,259 |
| Unrealized (loss) gain on derivative investments | (5,747) | 8,888 |
| Other gains, net | 2,346 | 114 |
| Excess of revenues over expenses | 259,828 | 207,095 |
| Other adjustments in net assets without donor restrictions | | |
| Net assets released from restriction for capital acquisitions | 492 | 2,216 |
| Pension-related adjustments | (130) | 52,479 |
| Other changes | (5,093) | (2,359) |
| Distributions to noncontrolling interests | (2,170) | (2,081) |
| Increase in net assets without donor restrictions | \$ 252,927 | \$ 257,350 |

Source: The Network's records.

MANAGEMENT'S DISCUSSION OF FINANCIAL PERFORMANCE

Results of Operations – For the Periods Ended March 31, 2019 and 2018

As of January 1, 2019, Carrier Clinic (“Carrier”), a behavioral health hospital with 430 beds located in Belle Mead, New Jersey, joined the Network. Carrier is included in the Network’s results of operations for the three months ended March 31, 2019 and March 31, 2018 for comparative purposes.

For the three months ended March 31, 2019, the Network had a 6.6% operating margin, which is 1.8% higher than the prior year to date. Total revenue for the Network was \$1.43 billion, an increase of \$101.3 million or 7.6% growth when compared to the three months ended March 31, 2018. The growth is primarily attributable to governmental and managed care rate increases with modest volume increases in outpatient service areas such as oncology, cardiac services, and same-day surgical services. The rate increases are driven from (a) increases in the acuity (case mix index) of the patients the Network’s hospitals have cared for, coupled with reduced length of stay as Management has developed improved patient clinical pathways through its extensive continuum of care; and (b) routine annual rate increases.

For the three months ended March 31, 2019, total expenses for the Network were \$1.33 billion, an increase of \$70.6 million or 5.6% when compared to the three months ended March 31, 2018. The increase in expenses was primarily attributable to Salaries and Benefits increasing \$42.2 million and Supplies and Miscellaneous Expenses increasing \$16.4 million. Salaries and Benefits increases were due to: (a) annual merit increases for Team Members; (b) investment in new clinical and administrative positions which can be associated with both volume growth noted above and initiatives such as population health; and (c) the continued investment in nursing to improve patient experience and outcomes across the Network.

Supplies and Miscellaneous Expenses increases were attributable to: (a) the rising cost and increased utilization of pharmaceuticals, specifically in oncology care; (b) increased surgical volume resulting in increased use of high-cost implantables; and (c) increased retraining costs and system maintenance costs related to system conversions occurring within the Network. The Network began converting its financial, payroll and patient billing systems to one platform in 2018. These conversions will be completed in 2019.

Balance Sheet

The Network’s revenue growth and cost containment strategies have resulted in a strong balance sheet position as of March 31, 2019. Carrier is included in the balance sheet as of March 31, 2019 and is excluded from the balance sheet as of December 31, 2018. Carrier represents approximately 1.0% of Network total assets and 1.2% of Network total net assets without donor restrictions as of March 31, 2019. As of March 31, 2019, the Network increased its Cash and Investments balance by \$23.5 million. This increase was primarily driven by strong acute care patient cash collections and strong first quarter investment returns, in addition to the positive results from operations as described above. Property and Equipment increased by \$180.2 million as the Network continues to invest in the development of its infrastructure including new projects such as the Second Street Pavilion at Hackensack University Medical Center, as well as continued

investment in information technology (e.g. PeopleSoft, Epic). Net assets without donor restrictions increased by \$289.3 million from December 31, 2018 to March 31, 2019, primarily due to strong operational results and positive market returns.

Management believes its steady and improving margin performance is attributable to a disciplined focus on bottom line results.

- (1) The Series 2018 Offering Memorandum is available at <https://emma.msrb.org/ES1145058-ES895884-ES1297126.pdf>